



STATE OF WASHINGTON

**OFFICE OF FINANCIAL MANAGEMENT**

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February 15, 2002

**TO:** Selected Agency Directors

**FROM:** Marty Brown, Director *Marty Brown*

**SUBJECT: SAVINGS INCENTIVE ACCOUNT ALLOCATIONS FROM FISCAL  
YEAR 2001 GENERAL FUND-STATE SAVINGS**

On an annual basis, the Office of Financial Management, in consultation with legislative staff and agencies, reviews General Fund-State reversions and determines how much each agency can retain for its own usage. I am pleased to inform you of your Savings Incentive Account balances, including the Fiscal Year 2001 allocation.

The amount of new Savings Incentive Account authority listed on the attachment accompanying this memorandum was based on unspent GF-S appropriations from Fiscal Year 2001. The Savings Incentive Account is nonappropriated, and can be spent only following allotment approval by the Office of Financial Management. The balance of unspent credits from prior years (as of December 2001) is also included for your information.

Please remember that spending from this account is restricted to certain uses. The Savings Incentive Account funding is intended for activities that improve the quality and efficiency of state services. The legislation prohibits the use of these funds to expand existing programs or create ongoing costs, so agencies should consider investments in work process changes, training, and other one-time improvements.

The Savings Incentive Program was designed to encourage more efficient operations in state government, as well as to benefit education. Half of year-end GF-S savings from operational efficiencies, and all of the GF-S savings in restricted or entitlement programs go into the Education Savings Account. With Fiscal Year 2001 allocations, this account has generated more than \$185 million for education construction, technology, and endowment activities.

On behalf of the Governor, I would like to let you know that your efforts at improving efficiency and customer service in state government are appreciated.

Attachment

cc: Agency Budget Officers

## **Instructions for Allotting the 2001 Savings Incentive Allocation**

The Savings Incentive Account, as set in statute by the Legislature, is a nonappropriated, allotted account. Agencies having allocations from this account may spend them without appropriation, but after an allotment has been approved by the Office of Financial Management (OFM).

The letter from Marty Brown, dated February 15, 2002, informs agencies of their new Fiscal Year 2001 allocation amount. Agencies planning to spend this allocation (or unspent allocation balance remaining from previous fiscal year allocations) during the 2001-03 Biennium, should submit an L-packet to OFM before spending this allocation.

These L-packets should use an appropriation code of 960, 963-969, 970, or 973-979, which are appropriation codes for nonappropriated expenditures.

Please keep in mind that this allocation may be used only for one-time activities that improve the quality, efficiency, and effectiveness of customer services, such as one-time expenditures for employee training, employee incentives, technology improvements, new work processes, or performance measurement. This funding may not be used to create new or expanded services, or ongoing obligations.

Please direct questions regarding this allotment to your OFM budget analyst.